

§ 1291.3

(n) *Specialty crop* means fruits and vegetables, tree nuts, dried fruits, horticulture and nursery crops (including floriculture).

(o) *State* means the fifty states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

(p) *State department of agriculture* means the agency, commission, or department of a state government responsible for agriculture within the state.

(q) *Subgrantee* means the government or other legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of funds provided.

[74 FR 13316, Mar. 27, 2009]

§ 1291.3 Eligible grant applicants.

Eligible grant applicants are State departments of agriculture from the fifty states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

§ 1291.4 Eligible grant project.

(a) To be eligible for a grant, the project(s) must solely enhance the competitiveness of U.S. grown or U.S. territory grown eligible specialty crops, in either domestic or foreign markets.

(b) To be eligible for a grant, the project(s) must be completed within three calendar years after the grant agreement prescribed in § 1291.8 of this part is signed. The grant period is established by the longest approved project submitted in the State plan. However, for cause, an extension of the grant period not to exceed three years may be granted by AMS on a case by case basis with a written request from the State.

(c) Projects should benefit the specialty crop industry and/or the public rather than a single organization, institution, individual, or commercial product. Single organizations, institutions, and individuals are eligible to participate as project partners.

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(d) Multi-state projects that address solutions to problems that cross state boundaries are eligible.

[73 FR 51589, Sept. 4, 2008, as amended at 74 FR 13317, Mar. 27, 2009]

§ 1291.5 Restrictions and limitations on grant funds.

(a) Grant funds may not be used to fund political activities in accordance with provisions of the Hatch Act (5 U.S.C. 1501–1508 and 7321–7326).

(b) Development or participation in lobbying activities pursuant to 31 U.S.C. 1352 including costs of membership in organizations substantially engaged in lobbying are unallowable.

(c) Grant funds shall supplement the expenditure of State funds in support of specialty crops grown in that State, rather than replace State funds.

(d) Grantees and subgrantees must comply with 7 CFR Part 3015.

(e) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct and indirect charges.

(f) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5000 or more have the prior approval of AMS.

(g) Rental costs of buildings and equipment are allowable as direct costs in accordance with the cost principles in subpart T of 7 CFR part 3015.

[73 FR 51589, Sept. 4, 2008, as amended at 74 FR 13317, Mar. 27, 2009]

§ 1291.6 Completed application.

Completed applications shall be clear and succinct and shall include the following documentation satisfactory to AMS.

(a) One SF-424 “Application for Federal Assistance”.

(b) SF-424A “Budget Information—Non-Construction Programs” showing the budget for each project.

(c) One SF-424B “Assurances—Non-Construction Program”.

(d) Completed applications must also include one State plan to show how grant funds will be utilized solely to enhance the competitiveness of specialty crops. The State plan shall include the following:

(1) *Cover page and granting processes.* Include the point of contact and lead